Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

DISCUSSION PAPER No. 71

IMPROVING GOVERNMENT'S SERVICE TO THE PUBLIC

by
Henry McCandless

DISCUSSION PAPER SERIES

DOCUMENTS DE DISCUSSION

The attached paper has been prepared to stimulate thought and discussion regarding our audit activities. The views expressed are those of the author and therefore should not be construed as those of the Office.

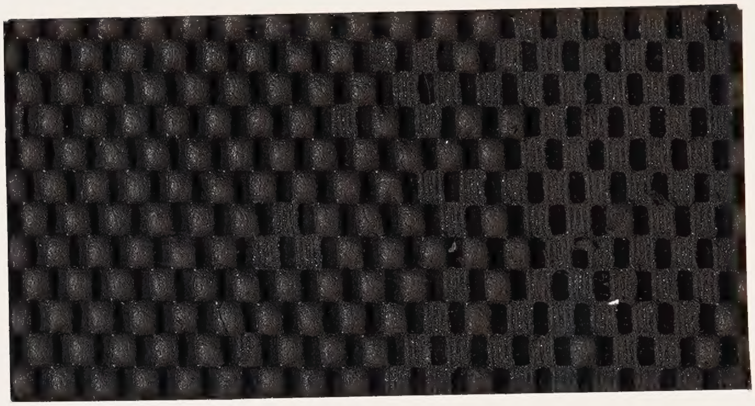
Your comments would be appreciated and should be directed to the attention of the author.

Additional copies of this paper, or other papers in the "Discussion Paper Series", may be obtained through the PROFESSIONAL PRACTICES GROUP.

Le document ci–joint vise à stimuler la réflexion et la discussion sur nos activités de vérification. Les opinions exprimées dans ce texte sont celles de l'auteur et, par conséquent, ne lient pas le Bureau.

Vos commentaires seraient appréciés et vous êtes priés de les faire parvenir à l'auteur.

Vous pouvez vous procurer des exemplaires supplémentaires de ce document ou des autres écrits de la série des "Documents de discussion" en vous adressant à la DIRECTION DES MÉTHODES PROFESSIONNELLES.



AYS- 3072

DISCUSSION PAPER No. 71

IMPROVING GOVERNMENT'S SERVICE TO THE PUBLIC

by

Henry McCandless

September 1995

18 October 1995

IMPROVING GOVERNMENT'S SERVICE TO THE PUBLIC

SEPTEMBER 1995

A Discussion Paper of the Office of the Auditor General of Canada

By Henry E. McCandless

Results Measurement Audit Team

IMPROVING GOVERNMENT'S SERVICE TO THE PUBLIC

A Discussion Paper of the Office of the Auditor General of Canada
(Based on work conducted before 20 September 1994)

Table of Contents

Office of the Auditor General of Canada

IMPROVING GOVERNMENT'S SERVICE TO THE PUBLIC

INTRODUCTION

Canadians have the right to the best federal government service that resources allow, and government has clearly linked service to the public with efficiency. If public expectations are for better federal government service but the resources to deliver it are to be cut, the services delivered must be highly efficient. The purpose of this discussion paper is to propose basic expectations in delivery of service and accountability that can be considered reasonable in government. Federal government commitments and action cited, and that of other jurisdictions, are to 1 September 1994.

For service to citizens at the interaction or transaction level, the users of particular services should know the service standards that government departments and agencies intend to meet, and whether they have met them. Parliament, in turn, should be given the type of information it needs for its oversight role. For the programs it funds, Parliament has the right to know what government intends to achieve. Parliament needs the right information to know whether federal government effort in improving service to Canadians is making the intended difference. This applies both to quality of service and efficiency of its delivery. Parliament further needs good understanding of federal public servants' orientation to clients at each level.

The scope of this paper does not encompass a major issue pointed out by the OECD's working group on service standards: "the danger that a strong focus on service delivery standards will lead to an insufficient emphasis on an arguably more important aspect of performance and public expenditure management generally, viz, programme effectiveness." (OECD 14 September 1994 symposium agenda). In the United States, for example, the 1993 Government Performance and Results Act includes reporting on outputs-outcomes relationships for its federal agencies. It is worth noting that federal departments and agencies have the obligation, under the oversight of the Treasury Board Secretariat, to explain to the related House of Commons committees their intentions and results for service delivery quality and for program outcomes (program effectiveness), and the cause-effect linkage they see between achieving planned service standards and the achievement of intended program outcomes.

Service and accountability for service are matters that Members of Parliament and their constituents relate to. For example, in a 1992 meeting of the House of Commons Public Accounts Committee, the Chairman asked the Secretary of the Treasury Board if that central agency would be considering the United Kingdom Citizen's Charter approach. In the U.K., each government agency and local authority publishes its service standards and tells its users whether it has lived up to them, on the

ground that if standards are posted on an agency's front door it increases the probability that they will be met. The Secretary replied that Treasury Board was "following closely" the U.K. Charter progress.

Accounting to intended users for service standards, results and efficiency helps to ensure that the service standards will be produced and met. Moreover, satisfying users and accounting to them for intended and actual achievement helps to increase public trust in government.

THE FEDERAL INITIATIVE

Government's work on service to the public can be attributed to cabinet-level concern dating back to the mid-1970s, growing expectations of the public arising from improvement in private sector quality of service, the concerns of public servants themselves, and the influence of developments in other countries. By the late 1980s, managers in the Canadian federal public service saw that manager and employee orientation had to shift away from compliance with prescribed process (and accountability only for that) towards identification of service issues, achievement, and accountability for service results.

Hence, the work of Public Service 2000, with its 1990 White Paper and its specific recommendations for service to the public:

> Deputies will establish clear standards of service, and will be accountable both for the reasonableness of those standards and for the quality of the service provided to the public. They will ensure that information about client satisfaction and suggestions for improving service are regularly sought from clients and employees. Simple procedures for responding to complaints will be established.[1]

The PS2000 Task Force on Service to the Public saw three requirements for good service:

- public service organizations must become more client-centred, meeting citizens' needs and expectations. This requires "culture shift" and "durable commitment by top management to these goals;"

- public servants must consult more actively with clients and other stakeholders, both in developing proposals for ministers and in administering programs, and become "more open and participatory;"

- managers at all levels must both support and lead the public service much better than in the past, to produce what is needed.

---

[1] PS 2000 Secretariat, Service to the Public Task Force Report, October 1990.

These concerns translate into the objectives set out in the first PS2000 Progress Report in 1992: improving service and bringing about the orientation and organizational effectiveness needed in departmental units to achieve and maintain high levels of service in the face of resource constraints.

Defining Service Quality

In broad terms, all government work can be viewed as service to the public. That is how the Public Service 2000 Task Force viewed it in its 1990 report.

In 1993, the Treasury Board Secretariat guide on service standards classified government services into four main types:

- conventional (such as information, grants and training);
- regulatory;
- purchasing; and
- internal (including common services and support for policy and program development).

The delivery of any type of service necessarily includes attention to fundamental rules for probity and compliance with authorities.

For the purpose of this paper, service quality means the quality of service delivery at the level of transactions or interactions between departments and their clients. Since services to clients are to support intended program outcomes, standards of delivery quality flow from decisions on levels of service or entitlement that are made at the policy level by ministers. For example:

- Unemployment insurance delivered on time and in the entitled amounts helps bring about the support for Canadians that is envisioned in the UI Program.
- Cost-effective placement of navigational aids supports a standard of marine traffic safety in Canada's waters. The reduced risk of accidents increases the confidence that mariners of the world have in Canada.
- Good service to taxpayers by Revenue Canada staff contributes to Canadians co-operating with the spirit of taxation policy and the law.

Federal Government Policy on Service to the Public

Government policy on the delivery of service to Canadians includes commitments to service orientation, standards, public consultation and accountability.

Service Orientation

- The fundamental goal of Public Service 2000 is to improve service to Canadians and create a client-oriented Public Service.[2] But "improve" has to be sensibly interpreted: it includes maintaining the quality of service in the face of resource cuts.

- Government service is to be "affordable, accessible and responsive." In support of this, government has two main objectives: to improve service delivery to Canadians and to make government more efficient.[3]

Service Standards

- Increasingly, departments will develop and publish standards for service. These will be based on consultation with clients, and will spell out service levels and costs. The President of the Treasury Board will have overall responsibility for this initiative.[4]

- The government will issue by the summer of 1994 a declaration of quality service delivery standards to Canadians that all departments and public servants will be expected to honour.[5]

- The government will establish and publish by 1995 standards of services for each government department.[6]

---

[2] PS 2000 Secretariat, "What has been done with the Recommendations of the Task Force on Service to the Public", October 1992.

[3] Government of Canada, Part I 1994-95 Estimates, Chapter 5.

[4] Department of Finance, Budget, 1992.

[5] Department of Finance, Budget Plan, 22 February, 1994 and Government of Canada, Part I 1994-95 Estimates.

[6] Ibid

Public Consultation

- Standards are to result from consultation with clients. (1993-94 Estimates)

Accountability

- Every federal organization will make public its standards for its major services and publish performance against them. [7]

These commitments sum to three main policy goals:

- Improved quality of service delivery, within departmental program budgets.
- A government-wide change in "organizational culture," to produce a client-oriented public service.
- A high standard of answering to the public for the quality and cost of service.

Approaches in Other Countries

The United Kingdom's Citizen's Charter[8] took an "across-the-counter" accountability approach, by creating direct and public service accountability in each government agency. Under the Charter, each agency creates its own service charter for its customers and there are by now 40 or more developed, approved by the respective Charter advisory panels and published for the agencies' clients. Under 1992 legislation, local authorities are to publish locally, in 1994, their performance under agreed indicators, and in 1995 they will have their performance compared nationally with other local authorities. The Charter concept of government agencies declaring their service standards and reporting whether they lived up to them appears to be well accepted in the U.K.

The Charter's principles -- standards, openness, performance reporting, choice, non-discrimination, accessibility and good complaints handling -- produce four main objectives for government agencies: quality, choice, standards and value. The agency charters commit the agencies to publish their performance standards for their services and report whether they have lived up to them.

The objectives are supported by structural changes, such as the Next Steps program, intended to give greater autonomy to most departments through

---

Treasury Board of Canada, A Declaration of Quality of Service (DRAFT), April 1994

Prime Minister, The Citizen's Charter: Raising the Standard Cm 1509, HMSO, London, 1991

contractual arrangements, between the ministers and the CEOs, on performance expectations and the accounting for it. Added to the structural changes is pressure to "market test" services, which means applying to government services the test of private sector cost estimates and arrangements to carry them out, to reach a decision on whether to shift the delivery means to the private sector -- or something close to a private sector type of operation.

The United States federal government has taken a legislated accountability approach, coupled with Executive intention to "create a government that works better and costs less." The Government Performance and Results Act (GPRA), passed by Congress in August 1993, calls for federal agency annual reporting to the Congress, after a pilot period under the Act, on program goals, results and variance explanations. The aim of better service to the public is clearly set out in the purposes section of the Act.

The Act's force will be complemented in government agencies by the implementation of the service recommendations of Vice-President Gore's September 1993 Report of the National Performance Review. The Report, "Improving Customer Service," one of the Accompanying Reports of the National Performance Review, states in its Executive Summary:

> Agencies will constantly ask customers what they want and whether they are satisfied with what they are getting. Agencies will post performance standards, measure performance in terms of customer satisfaction, and allocate resources to maximize such satisfaction. Front-line workers will be the primary source of ideas on how to deliver better services for less. And the federal government will set its goal as providing customer service to equal the best in business[9].

Learning From the Business Sector

For some time, governments have been adapting to their own settings the service principles emerging in business. The overall achievement objective in business could be stated as "delighted customers coming back, and telling others." Reasonable responsibilities for service include the following.[10]

- Understand who the customers are.

- Understand what service quality means to customers, in nature and effort level, and how to deliver it.

Office of the Vice-President, Improving Customer Service, Accompanying Report of the National Performance Review, September 1993.

The service responsibilities in business are drawn largely from Jim Clemmer's book, Firing on All Cylinders. (Toronto, Macmillan, 1990)

- Get continuous feedback from customers **and** employees on the front line. ("Poorly served employees serve customers just as poorly.")

- Do it right the first time.

- Use risk assessment to avoid the high costs of poor service.

- Staff service positions with the proper ability and train properly to produce the needed skills.

- Supply the right technology.

- Motivate and otherwise empower front-line supervisors and employees to take voluntary decisions to improve service. Trust them.

- "Invert the pyramid": all staff serve customers; those not doing so direct are to serve those who do. (In the Canadian federal public service, this means eliminating "separate management cultures.")

- Ensure that senior managers "walk the talk" on commitment to service and what it takes within the organization to bring it about.

- Be forthright with unions and seek their support for service objectives.

- Create "helpful mechanisms" to reduce conflict, red tape and needless external constraints, and to produce appropriate organization structure and processes that encourage innovation -- for example, identify and deal with systems that hamper people trying to deliver better service.

- Control the process, not the product. But effective management control systems are not "command control" systems.

- Have all employees committed to delivering the best possible service.

- Share good practices.

- Challenge assumptions that should be challenged, such as "senior management knows best" (the command control idea).

Differences between business and public sectors. While most of the principles for business organizations apply to government, there are differences. At the service level these differences arise mainly in the issue of deciding whose needs are to be met and to what extent, rather than in the nature of service transactions. For example:

- **Objectives**. The service achievement objectives of government programs cannot simply be "delighted, returning customers." Most government programs are the result of trade-offs among citizens'

collective needs and wants. This means that the primary issue -- of whose needs are to be met and to what extent -- is a fairness issue, one that business corporation managers do not usually work with. Moreover, in the public sector the citizen often has no choice in source of service at a transaction level (e.g. passports), and the wants of the few have to be regulated for the needs of the many.

- **Risks**. Contracting out, or putting whole operations out to the private sector for bids, has to be assessed for its risk to fairness, probity and stewardship in the use of public resources. In areas involving money custody, for example, the risk could be high, given the events of the past 10 years in financial institutions and corporations of many kinds, everywhere. Risk assessment and effective government control over what is proposed to be delegated to the private sector have to be very carefully thought through.

- **The "inverted pyramid"**. Serving the minister of the department should not mean something different from serving clients if the fairness decision has already been made on whose service needs are to be met and to what extent. The issue is the degree of convergence between the minister's view of service, politically, and the view of those reasonably the clients.

- **Compliance orientation**. Adherence to procedure has been a stronger orientation in the public sector than in the private sector, creating a momentum in government that still exists because of the safety it offers to public servants. Furthermore, a preoccupation with "Don't embarrass the minister" has tended to produce constricting rules for public servants.

- **Reward system**. The current anxieties in the public service from reducing departments and staff will affect motivation in bringing about better service. The probable main effects must be identified and dealt with.

THE MANAGER'S ROLE

What can be reasonably expected of government managers generally, in improving services to clients of government programs?

This section proposes basic managerial responsibilities. Managers who have long been working on ways to improve their services to external clients or to other government departments will be familiar with most. They are based on government policies on service to the public, and the guidance of Treasury Board Secretariat, other jurisdictions and the literature.

Overall, departmental management can be expected to assign clear responsibility and accountability for developing and publishing departmental service standards, and to remove barriers to their development and interdepartmental co-

operation in service. For accountability, the organization's internal standards for efficiency and co-ordination must be distinguished from the external client service standards.

Department and agency managers who deliver services should :

- develop service standards that support the intended service policy, base them on public consultation and budget ceilings, and make them visible to their clients;

- manage to these standards, within the approved budgets, while achieving client service orientation; and

- account for performance in service quality and efficiency.

Since responsibility and accountability for the quality of service are shifting to the point of service, managers will need to make general responsibilities more specific to their own service environments. They will need to develop their own professional expectations for service delivery.

Managerial Responsibility One: Develop and Publish Service Standards

Service standards need to be mission-based. Mission-based standards help avoid inconsistencies in program delivery among units in the department. They also help avoid costly delivery of services beyond what was intended.

It is reasonable to expect that client service policy and standards will be based on each department's achievement objectives set out in the statement of its business objectives or equivalent document that has been confirmed by the minister.

Development of standards should not hold back action on service. Standards should be published and then improved. Trying to perfect standards before publishing them, or to have all standards in place before working on a department-wide service orientation, can hold up action on service.

Cultural change takes time, and so does the development of service standards across a whole department. Managers should aim for continuing improvement through such means as pilot projects and rewards for individual initiative.

Published service standards should have sensible components. The 1993 Treasury Board Secretariat guide on service standards expects managers to:

- describe the service the government intends to provide and, where applicable, the benefits clients are entitled to receive;

- state the service pledges or principles describing the quality of service delivery one should expect to receive, such as openness, fairness, courtesy, professionalism;

- state the specific delivery targets for key aspects of service, such as timeliness, access and accuracy;

- state the costs of delivering the services; and

- state the complaint and redress mechanisms that clients can use when they feel standards have not been met.

At the same time, Treasury Board intends that: "departments have considerable flexibility in determining their specific commitments in terms of the scope of the services, the related standards being adopted, and the type of cost information to be published." (Instruction letter to deputy heads from the Secretary of the Treasury Board, June 1993)

Applying these expectations to different services requires public consultation on client service needs. Managers must know who the departments' clients are and what those clients think are the most important aspects of service.

Component One: The Service and Its Benefits. An obvious example is delivery of information, because that is the most common government service. Since the benefit to users is the content value of the information, the service description should state the expected value added for the intended users.

Component Two: Quality of Service Delivery. The manner of the delivery -- for example, courtesy and fairness -- is also important. Fairness in service delivery includes non-discrimination and not overlooking people who are entitled to benefits.

Component Three: Delivery Targets. The value of information content is affected by other factors. Information, for example, needs to be delivered when it is needed, through accessible locations, in plain language, and at the first time of asking.

For both content value and manner of service, managers need to know what the standards mean: what characteristics of service they include and what they do not. Managers need to think through the consequences of setting published standards too high or too low. This includes deciding whether to "under-promise and over-deliver."

Declaring standards of service, as such, should not create legal liability risks. For example, the Citizen's Charter Unit in the U.K. government has not found this to be problem in government agencies' service charters.

Component Four: Stating the Costs. The 1993 Treasury Board guide states:

> By consulting with Canadians about the services they are receiving, making them aware of the costs of delivered services and involving them

in the selection among delivery approaches, departments will be able to better match clients' expectations with what can be afforded.

People need cost information to decide among options. Managers need to know what types of decisions by their clients are helped by what types of cost information. They need to know what types of information are needed by senior management and governing bodies.

Managers should be able to tell their clients the cost of the services they get. They should be able to explain affordable service quality without encouraging needless demand.

Where published costs are to influence users' expectations of service levels, the costs must be seen to be fair for that purpose. For example, the usual notion of "full costing" cannot be assumed to produce meaningful information, every time, for different trade-off decisions by different people.

Managers should ensure that the costing methods they use are themselves cost-effective. Front-line managers who provide cost information will want the costing effort they make to be justified in each case, and they will need guidance on modern thinking in cost accounting for the public sector.

Component Five: Redress Mechanisms. Users of government services must have effective means for complaint and redress. Published service standards should explain those processes. Complaints about the manner of service delivery must be distinguished from complaints about entitlements, since the latter are a policy matter.

Standards need employee consultation. To develop service standards and initiatives, managers need to ask the employees who deliver the services what needs to be done. When decision-making is moved to the point of service, front-line employees must be encouraged to find ways to improve the service.

Consulting employees and demonstrating use of their ideas will help improve standards and employee commitment to delivering better service, and help replace "chain of command" with team responsibility and accountability.

Standards need client consultation. The main purpose of talking often with users about the services is to find out what they think are the most important services:

- In the United Kingdom, a major survey of citizens' satisfaction with services found that they most valued their government's "finding out what people want." (Citizen's Charter Unit, Government of the United Kingdom, *ICM Citizen's Charter Customer Survey, 1993.)*

- Users of the British Columbia parks system made their top priority clear to the Parks Service: clean toilets.

In both policy formulation and service delivery, the quality of public consultation affects public trust in government's fairness and competence. Asking clients about the service also helps keep clients' expectations realistic in view of resources available. Issues in expectations can be resolved: clients should be part of the identification of problems as well as being contributors to solutions and the setting of challengeable and attainable standards. Rationales for specific resource reductions need to be clear to managers so that they can explain expenditure trade-offs to clients more specifically than by simply citing the government's cumulative deficit.

Talking frequently to clients about the services also helps managers explain how services support the intended program outcomes, and helps departments learn their clients' views on the program policy objectives. Clients should take part in monitoring the implementation of standards, as well as in setting them.

When and how. Departmental managers need to identify and deal with issues such as what level or unit should deal with what type of consultation, and whether consultation should be done first at the local level.

Managers delivering services need realistic resources for training in consultation skills and in knowing when and what type of client consultation is most useful. Therefore, senior management's demonstrated commitment to training is critical.

Trained managers should be able to recognize and deal with factors that help build or erode clients' trust in the consultation process itself.

The most important message to take from government guidance in this area is that consulting people means sharing power with them. Appendix 1 suggests general expectations for managers consulting users of services. These expectations are based on public consultation guides of the Privy Council Office and Department of Environment, and seminar course material on public consultation from the Canadian Centre for Management Development. This guidance, designed largely for policy consultation, has been adapted in Appendix I to apply to consulting for service delivery improvement.

Managerial Responsibility Two: Manage to the Standards

Understanding cause and effect. To meet or exceed service standards, managers need a reasonable understanding of what determines the performance achieved. Key influences are:

- **Ability.** A major ability component is relevant training, geared to the needs of the role, not what is most comfortably delivered by those employed by government training and development units. In service to the public, training includes public consultation skills for managers.

- **Motivation.** This includes "efficacy-building," which is the leader's role in helping employees see that they can meet or exceed the service standards while having challenging, attainable objectives. Recognition for achievement in service performance is equally important.

- **Organization.** Structures must be tailored to achieve service results, not to perpetuate people's status. Employees and managers will rely more on networks than on the chain of command for regular interaction.

  When the emphasis is on service results, the idea that there is "one best way" to do things will not work. Together, people can be expected to come up with helpful ways to get around turf barriers and other obstacles in quality delivery systems, and to eliminate processes that do not add service value.

- **External Constraints.** When they cannot be changed, they have to be dealt with. An obvious example is reduced resources. The dependency of one departmental unit on the work of another can also be an external constraint.

Further influences that are combinations of basic elements include:

- **Employee Empowerment.** This means giving employees at the point of service greater autonomy to make decisions, within clear service objectives, minimum fundamental rules, and fair accountability based on fair performance measures.

  Some managers may need training to ease their transition from "command control" to "letting go" and giving their employees more autonomy to do the job the way they see it being done best.

- "**The Inverted Pyramid.**" Inverting the pyramid means that anyone who is not serving the public direct is serving someone who is. Inverting it also means removing the barriers to doing a better job. How departmental units achieve it needs to be worked out among the people involved. Managers will need to "walk the talk" and accept the learning mistakes of employees who have to take on new risks to innovate in service.

  Managers need to understand how internal service standards for efficiency and coordination directly support external service standards, yet differ from them in specific aims and accountabilities. Managers will get a good idea of how external standards depend on internal ones if they view the links as components of networks for service and team innovation, rather than elements in command control structures.

- **Communication of Good Practices.** A well-known positive influence is making each unit's performance visible to others. Managers are then

encouraged to consult their peers on how to improve their own groups' performances.

Assessing service performance. Managers should use valid and reliable means to know whether they lived up to their published standards. Performance standards and measures need to be consistent and appropriate for each manager's region or area, and visible within the organization. They should not be chosen for ease of measurement. Everything must be coherent -- standards, client satisfaction assessments and performance measures.

Managers need to show that they get the right performance information and learn from it to improve service. They need to engage both clients and employees in developing performance measuring that includes "benchmarking" from comparable services of others.

Managers can be expected to know whether their services meet clients' needs, in terms of the content or value of the service and the manner of its delivery. While managers may have to set some standards that do not produce everything clients want, the standards should meet clients' reasonable needs.

Where client satisfaction surveys are feasible, they can be considered basic to performance assessment. Managers need to understand what each dimension of client satisfaction means: satisfaction with the standard; with the attainment of the published standard; with the quality of the service delivery; and with the substantive benefit received.

In knowing the costs of services, managers need to know the costs of not delivering something right the first time.

Performance appraisals. Performance measurement is fundamental to managing and accounting for results. The performance measures managers use in appraisals have to be fair from the point of view of the employees who deliver the services. Otherwise, employee performance may be shaped simply to "score high."

Managers, too, need to be able to see a high correlation between their demonstrated performance and their superiors' appraisals. Managers are also entitled to expect that their performance assessments will correlate with their superiors' decisions about the resources allocated to them. Fairness does not mean assigning cuts only to those who cope with them in stride.

Bringing about a client service orientation. This is no simple task. It means change at all levels.

The new orientation cannot be brought about by "technology re-engineering" from the centre. Senior managers must make service orientation and consultation their own goals. Otherwise, the new culture cannot be developed and maintained across government.

Important and lasting change in large organizations is usually brought about through pilot successes outnumbering pilot failures. In government, a true service orientation will be achieved when enough department and agency units achieve real change.

Real change means that talk has to be turned into specific actions to increase people's capabilities and motivation. Central agencies, as well as departments, have to give cohesive, visible and active support, and they have to be staffed to do so.

Success indicators. It is reasonable to expect that managers at all levels of departments and agencies will know the main attributes of a client-oriented service and the critical success factors in bringing it about. Changing the culture means aligning **all** systems and processes towards service improvement.

Here are some predictors (they are not measures) of progress in bringing about a service orientation.

For senior management:

- Take visible, credible steps that shift the reward system in the public service from "command control" to "inverting the pyramid."

- Create real point-of-service autonomy and empowerment within clear departmental achievement objectives, fundamental rules and accountability. At more senior levels, managers must show subordinates that they know what this means. Senior managers must "walk the talk" on commitment to specific changes needed.

For managers at all levels:

- Make the changes that are possible and get on with publishing the service standards, rather than have everything "covered off" first.

- Aggressively reshape the structures and reward systems to the extent possible, make paths to goals clearer for subordinates, and set clear autonomy limits and fair accountability reporting in the systems of service.

- Create "exemplary workplaces" by meeting the workplace needs of the employees who deliver the services. This includes giving them useful technology and a working environment that promotes their development, commitment and safety.

- Train staff in consultation, risk-taking, collaborative behaviour and quality management. This includes "training the trainers," to speed the process.

- Create standards for consulting with both clients and front-line staff, and for accounting back to each for the use made of their views.

- Meet reasonable standards for creating learning organizations, such as having service units demonstrate continuous learning applied to service improvement.

- Identify and deal with factors that hamper mutual trust between public servants and users of services.

Managerial Responsibility Three: Account for Performance

Identifying who is accountable to whom and for what. Under Treasury Board policy, departments must report to the users of their services whether the departments are meeting the users' reasonable needs. Because of this, departmental managers should have accountability frameworks identified for each service. The accountability frameworks need to make clear who is accountable to whom, for what. They also need to make the accountabilities visible to clients.

Answering for the quality of service delivery and its cost will mean more when services are linked to specific sets of clients, not simply to "the Canadian public." Managers may see service levels for non-specific services (i.e. for "the public") as something to be approved and funded by Treasury Board, and see the location of accountability for delivery quality being at the departmental level -- as something to be worked out with Treasury Board.

Inside departments, performance reporting needs to be worked out for managers' respective responsibilities in serving the public. For example, when the need to "invert the pyramid" is accepted, specific people must be made accountable for the processes that bring it about.

Reporting performance to clients. A service accountability framework for reporting to clients would include:

- the service delivery standards and the rationale for them;

- the performance results and costs (including clients' perceptions of the quality of service and of the department's complaint/redress processes);

- explanation of significant variances from intended performance; and

- what has been learned and applied in delivering the services.

The performance measures and reports should be easily understood by clients, and useful for their decision-making about the service.

Accounting internally for performance. Departmental guidance to managers should make the internal reporting expectations clear. Reporting requirements should be lasting: frequent changes in demands will reduce managers' willingness to report.

Managers should not have to account for results that they cannot control. They should be supported in reporting fairly what their external constraints are, and how they are coping with them.

Departmental reporting to Parliament. Government's reporting to Parliament should cover the major aspects of its planned and actual performance in service delivery that are significant to Parliament in its scrutiny of government performance. Members of the House of Commons in departmentally-related committees are entitled to have the information that tells them what the department's most important service standards are, and whether these standards have been met. Since government has pledged to tell clients the departmental services, the service standards and actual performance against them, Parliament needs to know whether this commitment to Canadians is being met.

Departments that have a wide range of services and clients need to find ways to identify key components of performance for reporting to Parliament, without making the reporting too detailed or complex, or too general to be useful.

The summary service information most important for each of the departmentally related committees of the House of Commons can be reported in the department's section of the Estimates (Part III):

- the program rationale and how service delivery supports planned program outcomes;
- the most important service standards;
- the quality of service delivery (including clients' perceptions of the service); and
- the learning gained and applied.

Reporting on shared responsibility and accountability. Some programs and services involve more than one department (e.g. environmental protection regulation). In such cases, parliamentary committees need to be able to tell who is accountable for what.

People in teams or groups within organizations can have clear responsibilities and accountabilities as groups. And when responsibilities and the performance accounting are successfully shared, as in "one-stop" service centres, and the shared effort is shown to work well for the benefit of clients, the managers involved should tell Parliament, as well as other managers, what makes it work.

EXAMPLES OF DEPARTMENTAL INITIATIVES

This section offers brief examples of departmental initiatives in providing better service to the public. They are not meant to be representative of service

development across government -- they are simply examples of types of current effort on service improvement. These initiative examples are as reported by the departments and have not been audited by the OAG.

Department of Foreign Affairs and International Trade -- the Consular Service

Serving Canadians. The service provided by the consular function is unique. Its objective is to assist distressed Canadians abroad, and to help them to deal with their difficulties as effectively as possible. Staff have to deal with situations that range from routine events, such as lost passports, to a sudden tragedy for a Canadian travelling abroad, or to the safety of whole groups of Canadians in the event of political upheaval or civil war. The following information regarding the service initiative undertaken by the Consular Service, is based on the Service's own management review which was completed in 1994.

The role of training. Before the 1990s, no prevalent concept of service was associated with the consular function. With increasing numbers of Canadians visiting and living abroad, consular management in recent years has aimed to instil a common philosophy of service. To that end, staff identified training as the most important element in achieving a service orientation for the 300 in the consular function, spread across 180 points of service. The training includes service standards, empathy and non-judgmental assessment, and innovativeness. Dealing with a wide range of situations, and with the work often taxing, staff in the missions also need a sense of humour.

Service standards. In the view of management in the Consular Service, the change attributed to the training is that staff tend now to look for different ways of achieving things, rather than say "no." When staff get a request that will not be met, they turn it into a co-operative effort, suggesting to the client what the Consular Service can do that works.

Within the context of government-wide attention to service standards, the Consular Service has recognized the need to state its standards and assess its services from the clients' point of view. Planning is under way for a major client survey at the posts and in Canada, in the fall of 1994.

New services. The service philosophy review identified the need to provide new services. One is important country-specific travel information. The program, already launched, gives travel agents and the public basic information on health, entry requirements and security for 150 countries, through a 1-800 service. Automatic faxing back of the information has now been added. The review also underscored the need to make consular services at headquarters more available to the public, regardless of time zones. The result is headquarters hours in Ottawa extended to 10 p.m. on weekdays, and through Saturday.

Efficiency. Computer technology speeds the sharing of information between headquarters and missions, and among missions. For example, when

information on a case is logged in, it is now automatically shared with appropriate others in the network.

Consular staff identified costly services that could be centralized at "hub" missions or headquarters. For example, routine passport services in the United States were taking 60% of the available resources. They have now been consolidated in the Central Passport Office, in Hull. Since after-hours requests for information are mainly routine, yet require overtime staffing, these calls to missions within the U.S. have been shifted to the Department's overtime watch in Ottawa. This approach will be applied to other clusters of missions abroad.

Department of Fisheries and Oceans -- Inspection Branch

The following paragraphs are based on departmental documentation and consultations with DFO officials.

The aim. The mission statement of the Inspection Branch centres on its standards for service:

> To develop and promote appropriate product and process standards that contribute to the achievement of acceptable quality, safety and identity of fish and fish products, and to provide reasonable assurance of compliance with these standards.

The Branch's relationship with the fish processing industry it regulates is best described as a contract. Through openness and consultation, the Branch has developed a strong working relationship with the industry

The product standards reflect the needs and concerns of both industry and consumers. The Inspection Branch sees the Mission carried out as a contract between the Minister of Fisheries and Oceans and Canadian fish producers (which represent an industry valued at 3 billion dollars per year). As the Branch sees it, by respecting the contract with industry, the concerns and needs of the consumers, will also be met in that Canadian fish and fish products and those imported in Canada will be safe, of acceptable quality and fairly traded. "Identity" refers to conformity of the product to its labelled content and generally accepted product characteristics.

Earlier, the Branch simply inspected, in differing ways, and had all the problems that arise in any industry from reliance only on post-production inspection. Now, the processors commit to maintaining in-plant quality management programs to prevent problems in processing and meet the requirements of government's Fish Inspection Regulations. The DFO Inspection Branch in turn commits to meeting visible service standards for its own obligations to the processors, in inspection, testing and certification.

The Branch service standards. For each of its inspection activities, the Branch has developed standards such as frequency of inspections for fish processing plants, turnaround times for laboratory analyses, and product inspection certificates that

processors need for their marketing. The specific service targets set out in the standards are attainable under normal operations. In the event of departmental resource constraints or heavy workload periods, the product inspection priorities are clear to the industry: first is safety, second is quality, and third is product identity. Revisions of the Branch service standards involve consultation with appropriate advisory groups and stakeholder representatives.

On the efficiency side, developing the industry-Branch Quality Management Program brought about useful standardization of inspection tasks across the country, and clearer longer-term strategies and priorities within the Branch. Regional Inspection managers use the service standards in developing their annual workplans.

Department of Fisheries and Oceans -- Quebec Region: striving towards a client-oriented culture in the Department

Background. With a growing number of clients wishing to be more involved in service decisions, and with less money for program development and implementation, the Quebec Region of DFO needs to know what services are essential to clients, what is desirable and what is incidental to the core services. To achieve that understanding and deliver services accordingly, the Regional Director General and the Region's management Committee in 1992 launched the Client Service Improvement Program. The following paragraphs are based on an article in Optimum[11], a TBS seminar held in 1993 and consultations with officials from the Quebec Region.

The program aims to increase client satisfaction through a service orientation that emphasizes client consultation and empowering employees to improve service. It focuses on three critical factors: a genuine spirit of change affecting the organization's values, client participation in DFO planning, and well-informed and trained employees motivated to provide the best possible service.

The process. The program started with the key level: the 100 first-level supervisors in the Region. They undertook a three-day basic training course on client service that included the Department's mission and priorities, principles of client service and discussion of client service policy and service standards. The Regional Director General led the sessions, in which the directors also participated. All supervisors were encouraged to debate service principles with their employees in group settings or other ways.

The plan is to have all employees receive training in client service by the end of 1995. Currently, regional management is testing and developing modules and procedures for consulting clients and measuring client satisfaction.

---

[11] Martin, Denis. "Culture and Client Service at the Department of Fisheries and Oceans". The Journal of Public Sector Management, Winter 1993.

At the outset of the program, senior management set up a special telephone/fax based network for mutual assistance and information among first-level supervisors. This was supported by a newsletter. To help foster a common view of client service, the Region's 1992 draft service policy and principles were circulated in the network for comment by the first- and second-level supervisors.

Service standards. Each branch was asked to propose standards for its main services. These culminated in draft standards for the region as well as standards specific to the branches, and were the basis for 1993 consultations with DFO's clients in 30 organizations. These consultation rounds resulted in the draft standards being adopted in 1994. Internal DFO standards were also agreed at the same time, and ways have been examined to make workloads in the Region more equitable.

Client consultation. DFO Quebec believes that successful consultation needs to be focused, and has centred its consultation on client service policy and service standards. Regional management sees regular client consultation and focus groups as essential to evaluating client satisfaction. It also means demonstrating to clients that Department employees truly listen to the clients they consult. This requires solid and continuous training that genuinely serves the client service orientation.

Changing the organizational culture. One problem was the number of supervisory levels in the Region. After their training, first-level supervisors recommended that second- and third-level supervisors undertake similar sessions on client service. With the attention to the needs of first-level supervisors making those in the second and third levels uneasy, special initiatives had to be developed for those in the middle to encourage "inverting the pyramid" -- having all serve those who serve clients direct.

First-level field supervisors in an area serving local clients must be empowered and trained to take decisions fitting the local circumstances. And when the supervisors want to talk to the Director General, they should be able to do so without hitting a communication "wall" in between. In the initial operation of the support network, for example, first-line supervisors hesitated to "by-pass channels" in communicating with Regional headquarters -- an inhibition that has not yet been fully overcome.

DFO recognizes that cultural change takes time, and that the idea is not to seek perfection at each stage of the learning. Change requires commitment by top management to "walk the talk" on sufficient training and on participation by employees in service decision-making.

At the time of writing, DFO Quebec was currently acting on the recommendations of an outside consulting firm's interim assessment of the Client Service Improvement Program. The consultants concluded that DFO action in Quebec was increasingly being focused on the client, but recommended that service standards be simplified to reflect specific client satisfaction objectives, for specific service elements. They further recommended that a steering committee for the program would help its success.

Services within the Government: The "Terrasses Model" for Common Services

[*There are also examples of services within government that illustrate how partnership and "co-op" structures lead to reduction of "turf" and "empires" that hamper good service to the public. The shared services in Terrasses de la Chaudière is a major example.*]

A cooperative effort pays off. The 1994 Report of the Council on Administration for the federal government offices in Les Terrasses de la Chaudière, in Hull, Quebec, describes its work as a "leading edge of shared services within the federal government." It was launched as a cooperative effort in economy, efficiency and collaboration in a building complex of 6000 public servants in seven departments. The gains represent annual projected savings of $1,300,000.

The linkage to better client service is clear. The cost savings from collaborative strategies stay within the complex, translating into resources freed to serve clients better. The demonstrated success of a partnership approach rather than "empire protection" approach means that the public servant cooperation needed across Canada to serve clients better can in fact be achieved.

Background. In late 1992, the federal tenants of Les Terrasses got together to develop a shared approach to services administration within the complex. The initial scope was courier/mail systems, telephones, security services and libraries. Other functions are to follow -- accommodation and facilities, forms management, procurement and warehousing, photocopying (presently $1 million annually, for 200 copiers) and security services. The Council's purpose was to identify streamlining and cost savings that could be made in services administration, short of reducing staff, and to act on it.

All managers and staff received the same information regularly about the goals and progress of the initiative. The Council asked the front-line staff, rather than managers, to come up with the means of improving operations and saving money.

The success of the initiative is illustrated in the first two change areas: mail/courier services and telephones.

Courier and mail operations. Staff quickly determined that individual per-item courier costs to the departments, ranging from $4.50 for larger-volume tenants to $8.00 for the smallest, could be cut to $1.69 per package for everyone, under a consolidated contract for the complex, renegotiated on a volume basis with a single courier company. For the complex as a whole, this saves $77,000 annually in out-of-pocket costs. In addition, reducing the number of contracts for trucking pick-up and delivery to a single contractor meant a further reduction of $161,000 annually.

For outgoing mail requiring the postal service, the complex negotiated a collective contract with Canada Post, based on the aggregate postal volumes from the complex. This saves an additional $68,000 annually within the National Capital Region.

The contract is in process of being extended to the regional offices of the departments in Les Terrasses.

Telephones. The departments in the complex currently rent their 6000 phones, at an annual rental of $620,000. They will buy them instead. Depending on the sophistication of the telephone, the annual per-telephone rent ranges from $50 to $250. The per-unit purchase price is expected to range from $100 to $150, excluding a few special sets. The ultimate cash saving annually is expected to be $600,000.

Learning. As the participants see it, the process of discovering extraordinary savings, in combination with the efficiencies achieved, has increased both the service motivation of front-line staff and their ability to identify further savings. External constraints to people's initiative were also removed so far as possible: for example, savings stay within the complex. Rents were not dealt with by the Council: they are not negotiated by the tenant departments.

As important as anything else, the initiative has created patterns of interaction among federal employees in the complex suggesting a productive "co-op" more than simply a collection of separate bureaucratic units under one roof.

Moreover, the initiative of managers and staff in the complex has helped agencies such as Public Works and Government Services Canada with their long-term business planning in serving the tenant departments in the complex. The mutual cooperation allows the agencies to say with authority that their business plans meet their clients' needs.

SUMMARY

Motivation is central to providing the best government service from available resources and policy-decided trade-offs. Public service managers at levels all the way to the top -- and their ministers -- must have a common set of values or enduring beliefs about service. Failure to "walk the talk" at any level can erode motivation at lower levels. Publishing standards, as the U.K. does, can be expected to make a difference because public accounting tends to make performance self-regulating: dedicated public servants will not be comfortable publishing performance standards for themselves that are obviously weak and, once service standards are published, misleading reports of actual performance can be "found out" by audit and/or users' observations made public.

The federal government's "Declaration of Quality Service," committed by the 1994 Budget and to be issued by the President of the Treasury Board, is a sensible way for government to state clearly to the Canadian public the nature of the government's overall commitment on service standards and accountability. At the manager levels, responsibilities have to be built around service standards, managing to them and accounting to program users and Parliament for the standards and results. Managers' performance expectations for themselves and their subordinates need to be set within a framework comprising the agreed departmental achievement objectives, minimum fundamental rules, and agreed standards for measuring and accounting for performance.

Senior public service managers must make clear their personal agendas about best-possible service and how it is to be achieved. Continued reduction of services and staff makes survival skills paramount within the current culture of the federal public service. Survival needs therefore must be acknowledged and visibly reconciled with the reward systems and training required to produce a high standard of government service. If not, managers' own initiatives for improving service will erode, leaving "improved service" simply an appearances exhortation that is nothing more than an empty slogan.

APPENDIX 1

SUGGESTIONS FOR MANAGERS CONSULTING CLIENTS ON SERVICE DELIVERY QUALITY

1. Define consultation objectives and desired outcomes.

Rank the department's consultation objectives: Are they to identify clients' perceived needs? To get acceptance for the money-vs-expectations balance? To seek innovation in means of affordable service? To report service quality achieved? All of these, or what else?

Identify the outcomes sought: overall, consultation is to improve the quality and acceptance of service delivery decisions.

2. Assess the Environment, Including Internal and External Constraints

Know what's going on in the department or program. Know top management's beliefs and attitudes about service to know the real priorities and the clarity of policies on consultation. For example, do the managers agree that public consultation means sharing power, and that consultation needs to be a regular way of doing business in government?

Know the quality of existing service. Consult front-line staff to get an idea of what clients think of the service.

3. Identify Key Stakeholders

Identify the groups of clients, and the people who would ably represent the views of those groups. Where there is to be a spokesperson, the choice of that person lies with the client group.

4. Plan the Process and the Trust-building.

Do the generally accepted pre-consultation work: discuss with clients the consultation objectives, the time needed, and the success indicators.

Exchange ideas on process and role expectations and mutual accountabilities in consultation. Use clients' ideas for the process.

Decide the best sequence for consultation at different levels -- for example, first internal, then local rounds before a more global level.

Use relevant criteria to determine the best communication strategy (e.g. surveys, round tables, focus groups, interviews), who gets what communication and

when, the standards of openness, the means of staying in touch, the testing of mutual understanding, and so on.

"Work the network" -- both internally and externally. During consultation, communicate regularly within the department and with client groups. This helps guard against activities that are at cross-purposes, internally and interdepartmentally. It also produces timely feedback for clients and helps build trust and consensus on issues for the reported result.

Make a sound plan for the consultation process. This includes managing information and having people meet their commitments in the process. Start it with the "buy-in" (for the department as well as for the clients) and identify the critical success factors for the process. Planning ranges from basic steps in good conference management (especially for larger-scale consultations) to listening skills and the motivation to listen. Assess the types of flexibility needed in the process for the possible problem areas, and ensure they are there.

5. **Report back to clients on the results**

When action is taken, make it visible. Show clients how their views affected the department's planned and actual standards, so they can see the connection. Tell them the department's plans for future performance reporting.

6. **Feedback/Evaluation**

Evaluate the consultation to identify what went well or poorly, and why. Were the objectives reached? What needs to be learned and applied?

Establish measures for regularly testing service delivery quality and clients' trust in the competence, fairness and empathy of the department's employees whose work affects them.

7. **Foster a Consultative Culture in the Department**

Personally demonstrate stewardship in nurturing a "consultative culture" in the department. This means believing in public consultation as a critical success factor in service decision quality and acceptance, and believing in development of learning organizations.

BIBLIOGRAPHY

Canada:

Canadian Evaluation Society, Setting the Standard: Improving Public Sector Performance in the 1990s, 2 February 1993.

Clemmer, Jim, Firing on all All Cylinders, Toronto, Macmillan, 1990.

Department of Finance, Budget Plan, 22 February, 1994.

Government of Canada, Part I 1994-95 Estimates.

Hopwood, Heather, et al., Evaluation in Support of Quality Service Delivery, CES-NCC Fall Workshop, 1994.

Human Resources Development Canada, Continuous Improvement Approach to Client Service - Strategy for 1994 - 1997, February 1994.

Liberal Party of Canada, Creating Opportunity: The Liberal Plan for Canada, Ottawa, 1993.

Martin, Denis, "Culture and Client Service at the Department of Fisheries and Oceans", The Journal of Public Sector Management, Winter 1993.

Marson, Brian, "Government as a Service Enterprise: The Implementation of Service Quality in the Public Service of British Columbia", Management, Spring 1991.

Office of the Comptroller General, Measuring Client Satisfaction, August 1992.

Ontario Government, Best Value for Tax Dollars - Improving Service Quality in the Ontario Government - A Report to the Ontario Public Service, February 1992.

Plumptre, T., From Policy to Performance: Implementing Service Quality: Implementing services improvements in public sector organizations, Ottawa, Canadian Centre for Management Development, October 1993.

PS 2000 Secretariat, Service to the Public Task Force Report, October 1990.

PS 2000 Secretariat, "What has been done with the Recommendations of the Task Force on Service to the Public", October 1992.

Roy, Phillipe, "The Quality and Service Revolution in the Public and Private Sectors", in Optimum: A Forum for Management, Vol.21-4, 1990/91, pp.7-29.

Scarlett, John A., Tracking Quality of Service in the Public Sector: Developing a Client satisfaction Index as part of a Performance Monitoring System, Communications Canada and Concordia University, 1993.

Task Force on Service to the Public, Discussion Paper, July 1980
Public Service 2000, Report of the Service to the Public Task Force, October 12, 1990.

Treasury Board Secretariat, Standards for Service: A Guide to the Initiative, June 1993.

Treasury Board of Canada, A Declaration of Quality of Service (DRAFT), April 1994.

Treasury Board Secretariat, Information Management, Systems and Technology, Points of Service Database, December 5, 1994.

Treasury Board of Canada, An Overview of Quality & Affordable Service for Canadians: Establishing Service Standards in the Federal Government, 1994.

United Kingdom:

Audit Commission, Occasional Papers: Putting Quality on the Map: Measuring and Appraising Quality in the Public Service, 1993.

Citizen's Charter Unit, ICM Citizen's Charter Customer Survey, Research Report, April 1993

Connolly, Michael et al., "Making the Public Sector More User Friendly? A Critical Examination of the Citizen's Charter", Parliamentary Affairs: A Journal of Comparative Policies, vol.47, no.1, January 1994.

Coopers&Lybrand, Service for the Citizen: Highlights from the London Conference, 7-8 December 1993.

Doern, G. Bruce, Implementing the U.K. Citizen's Charter, Ottawa, Canadian Centre for Management Development, December 1992.

Dunshire, Andrew, Cutback Management in Public Bureaucracies, Cambridge, Cambridge University Press, 1989.

National Audit Office, Department of Health and Social Security: Quality of Service to the Public at Local Offices

National Audit Office, Quality of Service in the Public Sector, September 1993.

Prime Minister, The Citizen's Charter: Raising the Standard, Cm 1509, HMSO, London, 1991.

Prime Minister, The Citizen's Charter, First Report, 1992.

United States:

General Accounting Office, Management Practices: U.S. Companies improve performance through quality efforts, GAO/NSIAD-91-190, May 1991.

General Accounting Office, Quality Management: Survey of Federal Organizations, GAO/GGD-93-9BR, October 1992.

General Accounting Office, Management Reforms: Examples of Public and Private Innovations to Improve Service Delivery, GAO/AIMD/GGD-94-90BR, 1994.

General Accounting Office, Improving Government: Need to Reexamine Organization and Performance, GAO/T-GGD-93-9, March 1993.

General Accounting Office, Management Reform: GAO's Comments on the National Performance Review's Recommendation, GAO/ocg-94-1, December 1993.

General Accounting Office, Improving Government: Measuring Performance and Acting on Proposals for Change, GAO/T-GGD-93-14, March 1993.

Office of the Vice-President, Improving Customer Service, Accompanying Report of the National Performance Review, September 1993.

Poister, T.H., et al., "Citizen Ratings of Public and Private Service Quality: A Comparative Perspective", Public Administration Review, March/April 1994, Vol.54, No.2.

United States Congress, Government Performance and Results Act of 1993, Public Law 103-62.